



January 31, 2005

4Q 04 193295

Charles L. A. Terreni, Esquire
Chief Clerk/Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Public Service Commission of South Carolina
Request for Information on Terminations

Dear Mr. Terreni:

In accordance with David Butler's January 13, 2005 letter, attached for filing please find ten (10) copies of Progress Energy Carolinas, Inc.'s fourth quarter 2004 report on terminations of electric service in South Carolina.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Len S. Anthony'.

Len S. Anthony
Deputy General Counsel – Regulatory Affairs

Attachments

cc: C. Dukes Scott, Office of Regulatory Staff
Randy Watts

221140

Progress Energy Carolinas, Inc.
Quarterly Report on South Carolina Involuntary Disconnects
(Fourth Quarter 2004)

- 1) Total number of South Carolina customers whose services have been terminated involuntarily:

Month	Number of Customers
October 2004	2,233
November 2004	2,183
December 2004	1,898

- 2) Daily number of South Carolina customers whose services have been terminated involuntarily, and reason for termination:

October 2004			November 2004			December 2004		
Day	NonPay	Hazard	Day	NonPay	Hazard	Day	NonPay	Hazard
1	62		1	75		1	79	1
2			2	203		2	53	1
3			3	102		3	51	
4	75		4	86	1	4		
5	213		5	48		5		
6	87		6		1	6	58	1
7	70		7			7	180	1
8	58		8	79	1	8	82	
9			9	183		9	105	
10			10	67		10	55	
11	77		11	130	1	11		
12	253		12	1	1	12		
13	85		13		1	13	70	
14	90		14		3	14	195	
15	61		15	94	2	15	76	
16			16	149	1	16	79	
17			17	109		17	30	1
18	83		18	110		18		
19	192		19	92		19		
20	117		20			20	55	1
21	85		21			21	168	
22	82		22	68	1	22	83	
23			23	227		23	68	1
24			24	75		24		
25	75		25			25		1
26	223		26			26		
27	94		27			27		2
28	94		28			28	60	

29	57		29	103	1	29	185	
30			30	165	3	30	60	
31						31	96	

- 3) Reasons for involuntary terminations: customers were disconnected either for non-payment of electric bills, or for conditions on the customer's side of the point of delivery deemed by PEC to be dangerous to life or property. Totals were as follows:

Reason	October	November	December
Non payment	2,233	2,166	1,888
Hazard	0	17	10

- 4) Average duration of involuntary terminations: 1.87 days (based on instances in which PEC can confirm that the reconnect is in the same name and same premise as the disconnect).
- 5) Company procedures in effect governing involuntary terminations, including any procedures followed by the utilities to inform customers who faced termination of those regulations and programs which may offer those customers assistance in maintaining their service:

(See attached "PEC Residential Delinquent Account Disconnection Procedures – South Carolina" and samples of PEC's Final Notice and Notice of Proposed Termination)

Progress Energy Carolinas, Inc. (PEC)
Residential Delinquent Account Disconnection Procedures – South Carolina

Residential service bills are due on the date of the bill and are payable within 25 days from the date the bill is mailed to the customer. A customer is considered delinquent if he/she fails to make satisfactory payment prior to the past due date. The following timetable illustrates how the process works if no payments are received.

Day 1: Meter is read.

Day 2: First bill is mailed.

Day 26: "Past due after date," which is 25 days after the bill was mailed.

Day 27: Customer's account is coded as delinquent and a 1% late payment charge is assessed if payment has not been received by the close of business on Day 26 (i.e. 25 days after the bill is mailed).

Day 31: Meter is read second time.

Day 32: Second bill is mailed. Included in this mailing is a Notice of Termination (referred to by PEC as "Final Notice") notifying the customer of the amount and date when payment must be made in order to avoid disconnection. Consistent with PSCSC Rule 103-352a, this final notice also includes information on how to contact PEC regarding payment arrangements, possible assistance by social services agencies, qualification criteria for the December-March disconnect moratorium set forth in Rule 103-352a.3, and the availability of regulatory assistance from the PSCSC and/or the Office of Regulatory Staff.

(NOTE: Rule 103-352a requires utilities to mail a final notice not less than 10 days before the actual termination date. PEC includes its final notice in the bill for the second month's service. The expiration date for that notice is the same as the "past due after" date of the second bill, i.e. 25 days from the date the bill is rendered. This process provides the customer with 25 days notice of impending disconnection, rather than the 10 days required by the PSCSC rule.)

Day 56: "Past due after" date, 25 days after the second bill is mailed.

Day 57: If payment is not received by Day 56, the customer's service is scheduled for termination.

Day 58: A Notice of Proposed Termination is mailed to the customer, informing the customer of the proposed date of termination of service, which is approximately three business days after the notice is mailed. The notice also informs the customer of ways to prevent suspension of service, including phone numbers for contacting PEC to make

installment payment arrangements, information on obtaining governmental or private assistance in payment of the bill, qualification criteria for the December-March disconnect moratorium, and the right to appeal the termination to the PSCSC.

The PEC representative assigned to disconnect the service attempts to contact the customer personally before actually disconnecting their service. If the customer offers to pay at that time, PEC's representative allows the customer one additional business day to make the required payment. If the PEC representative determines that disconnection of service could be hazardous to the health of a household member, the representative has the authority to waive the disconnection. If PEC's representative is unable to personally contact the customer, the service is disconnected and the representative leaves a "door hanger" notice informing the customer of the disconnection and actions he/she needs to take in order to get the service reconnected.

NOTE:

- In actual practice the number of days will sometimes vary slightly depending on meter reading schedules and whether milestones fall on weekends or holidays.
- For customers with "Good Credit Established" as of Day 1, the notice of termination would not be mailed until the third bill is rendered, thereby extending the following timetable by 30 days.
- PEC does not mail final notices for customers with arrears less than \$50.

Special Circumstances

Accounts of customers identified by PEC as medically sensitive or chronically ill receive special review prior to disconnection for nonpayment.

On days when the heat index is above 105 degrees or when the high temperature does not exceed 32 degrees, PEC voluntarily suspends all disconnections for nonpayment of electric service bills. PEC suspended disconnection for such weather conditions during fourteen days in 2004.

At other times, particularly during the winter or summer, PEC encourages its field employees to be especially sensitive to the needs of at-risk customers (particularly those who are elderly, in poor health, or subject to exposure), and to waive disconnection of electricity to such customers whenever conditions warrant it. During times of severe weather we remind our field personnel to be alert to such situations.

Pursuant to Rule 103-352.f, PEC also provides customers the opportunity to designate a third party of their choice to also receive any notification of past due bills and Notices of Proposed Termination.

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TO AVOID DISCONNECTION OF YOUR ELECTRIC SERVICE

Your electric service will not be disconnected if you pay the past due amount indicated on your final notice by the date indicated on the notice.

If you are unable to pay the past due amount of your electric service, you should contact Progress Energy Carolinas before the termination date shown on your final notice. If prior to the termination date you establish with your Progress Energy Carolinas office that you are unable to pay the past due amount but are willing to enter into a reasonable installment agreement, your electric service will not be disconnected.

OR

If you can establish that you meet the following requirement, your service will not be disconnected between December 1 and March 31:

You, or a member of your household, are able to furnish a form supplied by Progress Energy Carolinas and signed by a licensed physician which states that termination of electric service would be dangerous to such person's health. This certificate must be signed by you and state that you are unable to pay in full or in installments the amount due for electric service.

However, all bills are due when received, and if not paid (or satisfactory arrangements to pay are not made) your service will be subject to disconnection after the above period.

You may call your local social services agency to determine what Federal, State or private assistance may be available to you.

Contact Progress Energy Carolinas at (800) 452-2777 if you have any questions about your bill. In case of any unresolved dispute, the proposed termination action may be reviewed by the South Carolina Public Service Commission. The Commission's toll-free phone number is (800) 922-1531.

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